Privatization of UTI

50. SHRI C.O. POULOSE: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the bifurcated portion of the UTI, (UTI-II) will be entrusted to Asset Management Company (AMC) and it will be privatized;

(b) if so, the details of the sponsors of the AMC; and

(c) what are the benefits Government are expecting from the privatization of UTI-II?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) State Bank of India, Punjab National Bank, Bank of Baroda and the Life Insurance Corporation of India (Sponsors) have set up UTI Mutual Fund, the UTI Trustee Company and the UTI Asset Management Company Pvt. Ltd., in accordance with SEBI (Mutual Fund) Regulations. The UTI Asset Management Company Pvt. Ltd. is managing the schemes mentioned in the Schedule II to the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002. As per the agreement signed between the Government and the above sponsors on 15th January, 2003, Government will receive compensation from the sponsors for a price to be determined by mutual agreement. Also, this move ring fences the liability of Government towards UTI and allows UTI-II to be run like other Mutual Funds in the country under SEBI regulations.

NPAs of Public Sector Banks

51. SHRI C.O. POULOSE: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Non-Performing Assets. (NPAs) of the Public Sector Banks have increased alarmingly during the last two years;

(b) if so, the reasons therefor;

(c) whether it is a fact that main reasons for this incease is the practice of lending and investments in non-priority sector; and

(d) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The gross Non-Performing Assets (NPAs) and the percentage of gross NPAs to gross advances, of public sector banks as on 31st March, 2000, 31st March, 2001 and 31st March, 2002 are given below:

		March, 2000	March, 2001	March, 2002
A	Gross NPAs (Rs. in crore)	53033	54672	56507
B	% to gross advances	14.0	12.4	11.1

While the gross NPAs of public sector banks have increased during the last two years in absolute terms, however percentage of NPAs to gross advances has decreased.

(c) No, Sir. NPAs are spread in both Priority Sector as well as Non-Priority Sector.

(d) Does not arise.

Redemption of US-64 Scheme

52. SHRI C.O. POULOSE: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are of the view that all the unit holders of US-64 scheme would redeem their respective share from the UTI-I after May, 2003, and get out and explore other safest investment avenues;

(b) if so, Government's response thereto alongwith the estimated units slated for redemption; and

(c) whether Government have any proposal to give promotional offers to investors to re-invest the redeemed money in the mutual fund schemes or other monthy income plan?